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CENTRAL INTELLIGENCE BULLETIN

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DAILY BRIEF

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I. THE COMMUNIST BLOC

II. ASIA-AFRICA

Indonesia: The major political parties are opposed to the government's recent decree limiting the autonomy of regional governments. They apparently hope to use it as a test case during the present parliamentary session to define parliamentary versus executive powers under the new constitution. The government is taking steps to limit criticism of the decree.

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III. THE WEST

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Belgium: A serious treasury crisis and growing uncertainty over the viability of the Congo program have aggravated the precarious position of Prime Minister Eyskens' coalition. The government, faced with mounting financial difficulties in the Congo, for the first time in history has found it necessary to subsidize the Congo budget in the face of Belgium's weak financial

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25X1 position. Moreover, there are increasing indications of native hostility to the territorial elections scheduled for December.

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DAILY BRIEF

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II. ASIA-AFRICA

Indonesian Political Parties Oppose Sukarno Decree

All major Indonesian political parties, with the Communists in the forefront, oppose a presidential decree of 7 September limiting local autonomy. In addition to opposing the substance of the decree, the parties apparently also hope to use it as a test case during the present parliamentary session to define parliamentary versus executive powers under the changed constitution. [Communist labor leaders are reported considering a nationwide protest strike, even though such action would be illegal and would provoke army retaliation.]

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The decree abolishes most of the local autonomy extended by parliamentary law in 1957 and restores to the central government direct responsibility for the provinces through the county level. These changes, if effected in December as planned, would further diminish party influence which has already been reduced at the national level by the return to the 1945 constitution last July.

Parliament reconvened on 1 October, and, despite a cabinet announcement that the decree will not be submitted to parliament for approval, will probably debate the measure. Party leaders fear the development of a constitutional interpretation by which parliament would lose substantial authority over legislation and be subordinated to the executive. Unless parliament can seriously embarrass the cabinet on the decree, however, and thereby induce government concessions, its protests are unlikely to be effective.

The interior minister has stated that the present parliament is not competent to debate a presidential decree, apparently hinting that significant bills will be submitted to the legislature only after the formation of the People's Congress--the legislative body provided for under the 1945 constitution. The Congress, on which the cabinet has promised "early" action, apparently will be composed of some members of the present elected parliament plus functional and regional representatives appointed by Sukarno. Meanwhile, the army has taken some steps, such as canceling a national conference of regional government officials, to limit criticism of the decree outside parliament.

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Financial and Congo Problems Shake Belgian Coalition

A serious treasury crisis and growing uncertainty over the viability of its Congo program have aggravated the precarious position of Belgian Prime Minister Eyskens' coalition. If the Socialists succeed in calling an extraordinary session of parliament on Congo policy this week, the resulting debate could bring down the government. In any case, American Embassy observers in Brussels consider it problematical how much longer the Social Christian - Liberal coalition can survive its "internal contradictions."

At a cabinet session on 7 October, the government left unresolved Belgium's long-term financial problems in the Congo, but decided to underwrite the 1959 Congo budget to the extent of \$100,000,000. This is the first time in Belgian history that a subsidy has been required for the Congo. It will aggravate the existing Belgian deficit, which is expected to lead to a major treasury crisis before the end of the year. The Liberals are committed to deserting the coalition rather than voting the taxes needed to meet the crisis.

Another complication facing the coalition is the evidence of increased Congolese hostility toward the program of accelerated political development announced by Brussels last January. Prominent Congolese nationalists have already denounced as undemocratic the elections for the proposed territorial councils scheduled for December.

Congo Minister de Schrijver is expected to issue a "clarification" of the Congo political program later this week. If this fails to satisfy the Congolese as well as domestic critics of the program, he will probably be in serious trouble only a little over a month after taking office. Although the Socialist opposition is still supporting a nonpartisan policy on the Congo, it is anxious to establish a position of confidence with the Congolese in the event the present coalition should fall.

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Cyprus

The recent meetings on Rhodes between Archbishop Makarios and former EOKA leader General Grivas appear to have resulted in a victory for Makarios and added prestige for Grivas. The communiqué issued at the end of the three-day conference called for renewed unity and cooperation in the establishment of an independent Cypriot republic, but failed to mention specific issues which have increasingly separated the two men.

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The Archbishop thus returns to Cyprus with enhanced prestige in the Greek Cypriot community for having re-established outward unity. Grivas' full acceptance of the London Agreements--even though he had previously "dissociated" himself from them--will do much to destroy the position of the hard-core Greek Cypriot nationalists who have consistently refused to accept anything less than "enosis"--union with Greece.

Grivas' major benefits appear to stem from acceptance by Makarios of his right to be consulted on important issues involving Cyprus, implied by the holding of the meeting itself, and the political prestige which he has secured through publicity connected with the meeting.

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